Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.,	)	
Consolidated Application for Authority to	)	
Provide In-Region, InterLATA Services in	)	WC Docket No. 02-148
Colorado, Idaho, Iowa, Nebraska and North	)	
Dakota	)	
	)	

SUPPLEMENTAL REPLY COMMENTS OF AT&T CORP.

Pursuant to the Commission's Public Notice, AT&T Corp. ("AT&T") respectfully submits these supplemental reply comments in opposition to the joint application of Qwest for authorization to provide in-region, interLATA services in Colorado, Idaho, Iowa, Nebraska, and North Dakota.

INTRODUCTION AND SUMMARY

It is time for the debate to end; Qwest's application must be rejected because Qwest has not been and currently is not "offering interconnection and access to network elements on a nondiscriminatory basis."[1] There is no dispute that when Qwest filed its application, it had secret deals with select CLECs that gave those carriers preferential rates and access to Qwest's bottleneck network facilities. That is the very definition of discrimination.

And just as fundamentally, the supplemental comments show that Qwest's misconduct corrupted the results of independent third party testing of Qwest's wholesale provisioning performance, because the testing relied upon data provided by carriers whose performance

[1] *Massachusetts 271 Order* ¶ 11.

results had been artificially enhanced by Qwest's secret deals. Indeed, Qwest's own third-party test administrator has stated that there is no way of knowing whether the test results are "representative of the 'typical' CLEC experience, given the preferential treatment the [secret deals] CLECs may have received from Qwest."[2] The secret deals also corrupted the entire process. The very purpose of the secret deals was to buy the silence of the competitive carriers in the best position to demonstrate the specific ways in which Qwest was failing to implement the Act's market opening obligations. It would be the paradigm of arbitrary and capricious decisionmaking for the Commission to approve Qwest's application without conducting an independent inquiry into whether Qwest's secret deals had a material impact on the record in this proceeding

Qwest too knows that the existence of these secret deals is fatal to its application. And that is why, after attempting to steamroll its way through the section 271 process, it has now purported to "comply" with the requirements of sections 251(c) and 252(a) and file the secret deals with the state commissions. As AT&T and other commenters showed, this "evidence" cannot be considered in assessing Qwest's application. No waiver of the Commission's "complete-as-filed" rule can be given where, as here, the late-filed information (1) was available and clearly at issue long before the application was filed; (2) raises so many complexities as to preclude meaningful comment and review; and (3) is not an isolated, excusable occurrence, but part of a pattern of repeated late filings.

But even if this eleventh hour evidence could be considered, the supplemental comments demonstrate that Qwest has not remedied its past violations. Of course, Qwest does not even purport to fix its OSS third-party test results to eliminate the impact of the secret deals or free its

[2] *See* AT&T Supplemental Comments, Atts. 1 & 2.

secret deal partners from their obligation to keep silent about Qwest's improper conduct as a *quid pro quo* for the more favorable access and interconnection terms. And even with regard to the "pure" discrimination issue, there can be no basis for believing Qwest's paper promise that it will file all the relevant deals. The August 20 proposal is chock-full of carve-outs that have in the past, and will in the future, allow Qwest to keep interconnection terms from being available to all CLECs. Even the limited review AT&T has been able to conduct to date of the agreements that have been produced in other state commission proceedings confirms at that late date, Qwest had not even listed, much less provided or filed all the agreements that meet even its own myopic view as to what constitutes an "interconnection agreement." To the contrary, in its supplemental comments, AT&T identified as examples several secret interconnection agreements that apply to at least one (and many times, more) states and sometimes all of the five states in this proceeding, but that Qwest has not posted on its website. Given Qwest's pattern of stonewalling on this issue and its tortured view as to what constitutes an "interconnection agreement," undoubtedly more unfiled deals will be discovered.

The only detailed dissent to this outcome of this proceeding comes from the Colorado Public Utilities Commission ("Colorado PUC"). That agency, however, does not deny the existence of the secret deals or that Qwest was discriminating in favor of certain carriers. In fact, the Colorado PUC concedes this to be the case.[3] Instead, the Colorado PUC principally argues that that section 271 relief should not be denied on basis of "isolated instances of unfair dealings," a single "blemish" or on the basis of conduct of "uncertain" illegality.[4]

[3] Colorado PUC Supplemental Comments at 3, 5.

[4] *Id.* at n.10, 11, 12.

Of course, whatever the view of the state commissions, it is the duty of this Commission to make an independent examination of the record and determination of whether the BOC has satisfied the checklist. Moreover, contrary to the Colorado PUC's bare assertions, the record demonstrates that Qwest was engaged in systematic discrimination in each of the five states, including Colorado. Qwest itself has acknowledged the existence of 11 different secret interconnection arrangements in Colorado that satisfy even Qwest's own self-serving standard.[5] And to the extent there is some gray area as to what constitutes an interconnection agreement, there is no dispute that these agreements altered core pricing/non-pricing terms.

Nor is the Colorado PUC correct that it is permissible for the Commission to approve now and ask questions later.[6] Approving Qwest's multi-state application and deferring investigation of Qwest's secret deals to a separate proceeding would reward Qwest's subversion of the section 271 process and make a mockery of the Act. Qwest would obtain the very relief that its illegal actions were designed to procure, subject, if at all, only to modest post-271 enforcement penalties. The Act makes open markets and checklist compliance a *pre-condition* to long distance entry by a BOC.[7] Qwest's systematic discrimination is not at the fringe, but the heart of the Act's market opening obligations – as other state commissions have found.[8] Thus, the only lawful course of conduct is for the Commission to deny Qwest's application until the

[5] *Id.* at 3.

[6] *Id.* at 9.

[7] *See generally* 47 U.S.C. § 271.

[8] Motion To Reopen Section 271 Proceedings Denied, Application No. C-1830, ¶ 10 (Ne. PSC June 12, 2002) ("*Nebraska PSC Order*") (secret arrangements "flaunt the intent of the Act" and "taint the 271 process."); Order to Consider Unfiled Agreements, Dockets Nos. INU-00-11, at 4 (Iowa Utils. Bd. June 7, 2002) (Qwest's secret deals "bear directly and materially" upon section 271).

Commission is certain that Qwest has filed *all* of its secret deals and established a record that eliminates the taint of those deals.

ARGUMENT

I. THE SUPPLEMENTAL COMMENTS CONFIRM THAT QWEST'S ELEVENTH HOUR ATTEMPTS TO COMPLY WITH THE ACT ARE TOO LITTLE, TOO LATE.

In its supplemental comments, AT&T once again submitted evidence and argument demonstrating that beginning years ago, continuing through the filing of Qwest's Application with the Commission, and persisting throughout the comment period, Qwest has deliberately engaged in a course of discrimination among CLECs in violation of the first two nondiscrimination requirements in the competitive checklist. AT&T demonstrated that Qwest undertook this discriminatory conduct not merely to gain commercial advantage, but to buy the silence of certain CLECs in an effort to secure advantageous action on its requests for section 271 authority throughout its region. With respect to Qwest's last-ditch August 20 effort to avoid the obvious consequences of this course of conduct, AT&T showed that Qwest's proposal was not sufficient to eradicate the discriminatory actions that violate the checklist and foreclose any possible finding that Qwest provides nondiscriminatory interconnection and access to UNEs.

In other supplemental comments filed pursuant to the Public Notice, WorldCom and Touch America similarly demonstrated that Qwest's last-minute proposal was an assault on the Commission's processes, as well as devoid of credibility and insufficient to support the necessary checklist findings. Both CLECs confirm that it is undisputed that at the time it filed its five-state application, Qwest was in violation of checklist items one and two, because the record is clear that Qwest had longstanding agreements it had refused to make public that provided

preferential terms of interconnection.[9] As WorldCom noted, these outstanding agreements were "not a small question," but involved serious discriminatory agreements to provide significant price discounts throughout its 14-state region, as well as desirable performance guarantees.[10] Remarkably, some of the terms of these longstanding discriminatory agreements are so problematic that the Colorado PUC now even indicates that it "*would likely have disapproved*" them.[11]

WorldCom and Touch America also both confirm that, as AT&T has maintained, Qwest's second post-filing attempt to submit a proposal to cure its enduring discriminatory practice is far too little, far too late. As WorldCom indicates, Qwest's proposal clearly violates even a liberal standard for a waiver of the "complete-when-filed rule," which allows the Commission, and the parties, adequate time to secure and evaluate evidence on serious issues like UNE and resale offerings.[12] Like AT&T, both Touch America and WorldCom confirm that the need for the last-breath proposal was wholly within the control of Qwest, which pushed forward with this proceeding with a complete understanding of the extent of the issues raised by its outstanding "unfiled agreements."[13] And as Touch America noted, unlike the cases where the

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[9] *See* WorldCom Supplemental Comments at 6-8; Touch America Supplemental Comments at 4. Indeed, as discussed below, even the Colorado PUC now understands that there is "undisputed evidence that unfiled agreements existed" at the time Qwest's Application was filed with the Commission. Colorado PUC Supplemental Comments at 5.

[10] *See* WorldCom Supplemental Comments at 8.

[11] Colorado PUC Supplemental Comments at 8 n.19 (emphasis added). As discussed below, these terms include the ten percent discount secretly afforded to carriers like McLeod and Eschelon.

[12] WorldCom Supplemental Comments, at 7.

[13] *See id*. at 8; Touch America Supplemental Comments, at 6-7.

Commission allowed applicants to rely on reduced rates as an incentive to respond to criticism of rates first raised during the Commission's 90-day section 271 proceeding, allowing Qwest to rely on its new-found religion will only reward its steadfast decision to delay as long as possible the filing of agreements that have been sought for many, many months.[14]

These CLECs also substantiate that Qwest's last-minute proposal falls far short of the mark in curing its failure of the "non-discrimination" requirement of checklist items one and two. WorldCom and Touch America both recognize that significant terms and conditions that have long been withheld by Qwest *still remain unavailable to other CLECs at this late date*.[15] Moreover, WorldCom and Touch America decry the self-policing inherent in Qwest's proposal, and denote the serious likelihood of mischief Qwest has preserved for itself by reserving the right to withhold settlement agreements.[16] Most importantly, WorldCom provides a succinct and clear statement concerning Qwest's failure to deal adequately with its oral agreements and side deals such as those arrangements with McLeod and Eschelon that provide ten percent discounts for services directly related to interconnection.[17] The region-wide practice with McLeod is especially troublesome, because the oral and side deals evidence a clear intention to discriminate, by avoiding public disclosure and the obligation to make the discount available to all CLECs.

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[14] *See id.* at 8.

[15] *See id*. at 9; WorldCom Supplemental Comments at 11. This is consistent with the Letter to the Commission from the Office of the Attorney General of the State of Idaho, dated August 28, 2002, which states that "the usual process for approval of interconnection agreements" will be followed and "likely will not be completed prior to the date for the FCC to issue its decision in Qwest's Section 271 case."

[16] *See* WorldCom Supplemental Comments at 11; Touch America Supplemental Comments at 9 n.23.

[17] *See id*. at 12-14.

Finally, WorldCom concisely buttresses the plain and simple fact that Qwest's newest proposal to file some of the agreements it previously withheld will not change the state of the record in this proceeding.[18] Specifically, WorldCom demonstrates that Eschelon and McLeod were the two CLECs with first-hand experience with facts showing that Qwest had significant problems with the provisioning of UNE services.[19] In addition to establishing the harm to the section 271 workshop process from the procurement of the silence of these CLECs, WorldCom also indicated that Qwest prevented Eschelon from calling problems to the attention of parties responsible for testing Qwest's performance.[20] Finally, WorldCom catalogues the responses of the testers and the states to allegations that these secret arrangements – discovered only at the very end of the state section 271 proceedings – would terminally infect the records absent further inquiry and disclosure.[21] At the urging of Qwest, each generally refused to investigate further or resolve the extent and effect of the private deals or their preferential terms, with an acknowledgement that collateral proceedings and argument would be completed at the Commission or in separate dockets to address the problems they posed.[22]

WorldCom's characterization of the general response of the state commissions to requests to reopen records for investigation of Qwest's secret deals is confirmed by the filings of

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[18] *See* WorldCom Supplemental Comments at 16-21.

[19] *Id*. at 16-18.

[20] *Id*. at 19.

[21] *Id*. at 20-21.

[22] *Id*. For example, the "ROC Committee concluded that it would not reopen the test because in some states the 271 record was closed, KPMG had identified the sections of the report that depended on input from the relevant CLECs, and the issue will now be the subject of advocacy before the FCC." *See* WorldCom Comments, at 21.

these commissions in response to the August 21, 2002 Public Notice. For example, the North Dakota Public Service Commission ("North Dakota PSC") expressly indicates that it rejected AT&T's motion to reopen the record in significant part because Qwest had filed its request for a declaratory ruling at the FCC, which it felt would address the "very same matter."[23] For its part, the Nebraska Public Service Commission ("Nebraska PSC") has expressed its view that "Qwest's actions in making the Section 251 terms of the Agreements available to other carriers as *a positive step* while the Commission proceeds with its review of the Agreements."[24] WorldCom's cataloguing of the state commission refusals to reopen their records also is consistent with AT&T's supplemental comments, where AT&T illustrated that in refusing to investigate, some state commissions were relying on the Commission to address appropriately the secret deals.[25]

II. QWEST AND THE STATE COMMISSIONS HAVE NOT FULLY CURED QWEST's DISCRIMINATION.

Some state commissions that have rushed to approve Qwest's state section 271 applications notwithstanding these fundamental defects, such as the Colorado PUC, have quite

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[23] *See* North Dakota PSC Supplemental Comments at 2-3. The North Dakota PSC's other basis for its decision to keep the record closed was its view that the matter could be resolved through a separate enforcement processing, *id*. at 2, and will be addressed below in response to the Colorado PUC Comments.

[24] *See Ex Parte* Letter to Marlene H. Dortch, Secretary, from Anne C. Boyle, Chairman Nebraska PSC, *et. al*, dated August 27, 2002. In denying AT&T's motion to reopen the Nebraska Section 271 proceedings, the Nebraska PSC stated that secret arrangements "flaunt the intent of the Act" and "taint the 271 process." *Nebraska PSC Order* ¶ 10.

[25] AT&T Supplemental Comments at 12-13 (*citing , inter alia*, *Nebraska PSC Order* ¶ 10). In denying AT&T's request to reopen the proceedings, the Nebraska PSC stated: "In summation, while these matters are deeply troubling, they serve as notice that ongoing oversight is absolutely necessary. However, inasmuch as this issue is presently before the FCC, the Nebraska Commission, at this time, denies AT&T's Motion to Reopen the 271 proceeding."

predictably claimed that Qwest's actions in entering into "unfiled agreements" as a matter purely outside of the section 271 process. For example, in its supplemental comments, despite the fact that it recognized that there was "undisputed evidence that unfiled agreements existed," the Colorado PUC has insisted that "there is no remedy available in the § 271 context," because the matter can and should be addressed "through a separate investigation."[26]

The Colorado PUC, however, has committed a fundamental error by treating the issue of outstanding private arrangements for preferential terms of interconnection as a "public interest" or "enforcement" issue related to some wrong-doing that is unrelated to the issues presented by the section 271 checklist. In its supplemental comments, the Colorado PUC thus concludes that it "does not believe the CLEC-asserted violations of the Act arising from Qwest's failure to file the 'secret' agreements for state commission approval rises (*sic*.) to the level of *per se* statutory violations."[27] For this reason, the Colorado PUC also states that it believes the answer to a number of questions related to the "bad" nature of the behavior would be necessary before it could be assessed in the context of section 271.[28] In this way, the Colorado PUC also incorrectly shifted the burden to the CLECs to demonstrate non-compliance with the checklist, rather than forcing Qwest to meet its burden of proof. *Cf. Massachusetts 271 Order* ¶ 11 ("The BOC at all times bears the burden of proof on compliance with section 271, even if no party challenges its compliance with a particular requirement.").

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[26] Colorado PUC Comments at 4-5.

[27] *Id.* at 6.

[28] *See id*. at 7. For example, the Colorado PUC calls the inquiry a "non-specific state proceeding[,]" that would require guidance concerning, among other things, (1) the "special circumstances which require rejection," (2) the definition of the "behavior" and the "quantum" of that behavior that is "bad" enough "to warrant delay or denial" of a Section 271 application, and (3) "how recent the bad behavior needs to be to warrant delay or denial."

Instead, as AT&T has demonstrated thoroughly in its comments and supplemental comments in this proceeding, the failure to file interconnection agreements that contain preferential terms and make those terms available to other CLECs is a form of discrimination that strikes at the heart of the checklist items considered in the section 271 process.[29] The substantial "undisputed evidence that unfiled agreements existed" submitted by AT&T proves not that Qwest has simply violated some "non-specific" collateral requirement of the Act, but is failing to comply with its most crucial obligation under section 251(c) – and key items on the section 271 checklist – by failing to provide nondiscriminatory interconnection and access to unbundled network elements. For this reason, the most appropriate "remedy" for such an ongoing violation, indeed the regulatory action that is *required*, is the rejection of a section 271 application filed under such circumstances.

The Colorado PUC erroneously seeks to excuse the "troublesome documents" by stating that they amount only to a "handful," and by mischaracterizing the discrimination at issue, "not as a systematic attempt" by Qwest to discriminate between CLECs "to some obscure anticompetitive end, but instead more mundane, run-of-the mill carelessness and oversight."[30] While that characterization cannot survive careful scrutiny, as will be discussed below, it also misses the point: the continuing provision of private preferential interconnection terms violates section 251 of the Act in a way that precludes a finding that section 271's checklist items one and two can be met. In this case, neither Qwest's rhetorical attempts to minimize its

[29] *See, e.g.*, AT&T Supplemental Comments at 14 (*citing Massachusetts 271 Order* ¶ 11) ("the BOC must demonstrate that it is offering interconnection and access to network elements on a nondiscriminatory basis").

[30] Colorado PUC Supplemental Comments at 10-11. *See also id*. at 12 (calling the issue a "brouhaha," a "blemish," and a "trifle").

discriminatory conduct, nor the Colorado PUC's repetition of those concepts, can excuse this section 271 failing, because it is not in dispute that Qwest's is currently offering private preferential terms in Colorado (as well as other Qwest states).

In any event, the Colorado PUC's attempts to minimize the character and extent of Qwest's conduct are contradicted not only by the facts, but by its own filing. The Colorado PUC admits that AT&T provided it with no less than five discriminatory secret deals.[31] The Colorado PUC also admits that it finds some of the terms of those deals, including the pervasive discounts that Qwest granted to Eschelon and McLeod, so inappropriate that it would not even approve them.[32] And given the investigations by the other state commissions that revealed the existence of secret deals in those states,[33] there could be no determination in Colorado other than a finding that Qwest was actively discriminating in favor of certain CLECs in that state too.

Nevertheless, against this array of evidence and the extensive record, the Colorado PUC attempts to blame the victim and faults AT&T and other CLECs for "elect[ing]" not to present witness testimony to inform the Colorado PUC of the harm to competition or of the discrimination which resulted from the "secret" deals.[34] AT&T did all that it could do to bring the secret deal issue to the Colorado PUC. AT&T presented to the Colorado PUC what it was

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[31] *Id*. at 4. These arrangements are described in AT&T's Supplemental Comments. *See, e.g.,* AT&T Supplemental Comments, Declaration of Kenneth L. Wilson (discussing agreements produced in Minnesota proceeding).

[32] *See* Colorado PUC Supplemental Comments, at 8 & n.19. Even more incredibly, the Colorado PUC concludes that no discrimination could possibly result from these agreements, which have been in place for several years, because it would not approve the existence of such terms.

[33] *See* AT&T Supplemental Comments at 11-23; *Ex Parte* Letter from Mark D. Schneider to Marlene H. Dortch, August 16, 2002 (describing extent of evidence developing with respect to secret deals).

[34] Colorado PUC Supplemental Comments at 4.

able to obtain from the Minnesota proceeding at the time. AT&T had no ability to conduct discovery on Qwest, and certainly was not granted any discovery by the Colorado PUC. In response, the Colorado PUC refused to issue any data requests of its own, such as were issued in Arizona, Minnesota and Iowa, and instead accepted Qwest's own assertions, without even requiring Qwest to provide any evidence or witness testimony. The entire issue was raised and dealt with in passing during the course of addressing a number of other issues in workshops that occurred over a two-day period.[35]

Moreover, although the Colorado PUC references an "investigation that is already well underway,"[36] the Colorado PUC does not identify any other further action it has taken to assess the unfiled agreements sought out by other state commissions, or by itself for that matter, and AT&T is not aware of such efforts.[37] Instead, the Colorado PUC's supplemental comments reveal an agency that appears more concerned with finding reasons why it need not have investigated Qwest's conduct in order to maintain a record that could support a grant of section 271 authority to Qwest – as opposed to providing a record that thoroughly addressed the "undisputed evidence that unfiled agreements existed." Indeed, had the Colorado PUC acted with the vigor of other state commissions, the state section 271 record would show, at a minimum, the existence of the eleven secret deals that Qwest has now belatedly filed in Colorado. Further, as is discussed below and more thoroughly in AT&T's supplemental comments, the Colorado PUC's cavalier dismissal of this issue does not even attempt to deal

[35] *See* Colorado PUC Supplemental Comments at 5.

[36] *Id*. at 10.

[37] The failure of the Colorado PUC to ask Qwest to provide the interconnection agreements that it has been forced to file in other jurisdictions that are also applicable to Colorado is particularly troubling as it is likely that many such agreements exist and contain terms that AT&T would (continued . . .)

with the problems the secret deals posed for the testing and workshops that formed the basis for its record.

In contrast, as AT&T has shown, the state commissions in Minnesota, Arizona and even Iowa, have permitted, and undertaken, the much more thorough review of the Qwest practice of entering private agreements that the statute requires. And these states have not terminated their investigations based on the difficulties hypothesized by the Colorado PUC, or found the issue to be a "blemish," "brouhaha," or "trifle." In fact, as reflected in the supplemental comments of the Iowa Utilities Board, the state commissions can and indeed must answer the kinds of questions posed by the Colorado PUC, and conduct and complete such investigations even if it is conducted, erroneously in AT&T's view, apart from the section 271 process. The Iowa Utilities Board is to be commended for undertaking its proceeding, even if several issues currently preclude that investigation as serving as the reasonable basis for a conclusion that Qwest has met the "non-discrimination" checklist items in this five-state proceeding.

First, as recognized by WorldCom in its supplemental comments, the terms and conditions of the agreements addressed by the Iowa Utilities Board are not yet public and available to all CLECs in Iowa.[38] Until those terms are available, Qwest's discriminatory practice has not abated sufficiently to support a finding that checklist items that incorporate nondiscrimination requirements have been met.

Second, the Iowa Utilities Board's process has not been completed because, on a current and going-forward basis, it has not dealt with the inappropriate restrictions contained in Qwest's

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(. . . continued)
seek to utilize in Colorado.

[38] *See* WorldCom Supplemental Comments at 11.

proposal of August 20, 2002. Specifically, Qwest has proposed to exclude a number of agreements from its filing obligation, including settlement agreements and agreements that are derived during the course of bankruptcy proceedings. As AT&T and WorldCom have shown, such exclusions are not only unsupported by the Act, but have been used by Qwest in the past to exclude interconnection agreements that have terms that are required to be filed and made available for "pick and choose" pursuant to sections 251 and 252.[39] Moreover, the Iowa Utilities Board's proceeding has not addressed the oral agreements and side deals that have been disclosed during the past 30 to 60 days, including, for example, the arrangements with McLeod and Eschelon that have emerged during the investigations in Minnesota and Arizona.[40]

Third, the Iowa Utilities Board's proceedings have yet to provide for participation by CLECs in the review of the agreements that have been requested and produced. As the proceedings in Minnesota and Arizona show, third-party participation greatly benefits the eradication of the private preferential arrangements that Qwest established in violation of the Act. For example, based on AT&T's experience in Arizona, the confidential review of the 19 agreements still pending in the Iowa proceeding likely would result in the production of some additional agreements.[41]

Finally, the Iowa Utilities Board's action cannot support Qwest's compliance with the checklist in the instant Application because the proceeding was not completed as part of its section 271 process. For this reason, the consideration of the actions of the IUB here, and the actions of Qwest as a result of these actions and its August 20 proposal, would violate the

[39] *See id.*; AT&T Supplemental Comments at 36.

[40] *See id.* at 29-30, 35; WorldCom Supplemental Comments at 12-13.

[41] *See* AT&T Supplemental Comments, Wilson Dec. at 4, 6-8.

"complete-as-filed rule."[42] Additionally, the Iowa Utilities Board's decisions have not considered and do not even attempt to evaluate, much less cure, the harm to the multi-state record, including the testing and the workshop process, from the longstanding existence of the "secret deals" and the procurement of fact-witness silence that accompanied a material number of those arrangements.[43] Nevertheless, the Iowa Utilities Board's actions to date prove that reviewing and addressing Qwest's "secret deals" conduct can be accomplished without undue delay after the rejection of this multi-state application, resulting in timely resubmission after eliminating the discrimination inherent in the "secret deals."

[42] *See* WorldCom Supplemental Comments at 9; Touch America Supplemental Comments, at 6-8; AT&T Supplemental Comments at 15-22.

[43] *See* AT&T Supplemental Comments at 37-48 & Wilson Dec. at 11-25.

CONCLUSION

For the foregoing reasons, and for the reasons set out in AT&T's initial and reply comments and supplemental comments, Qwest's application for authorization to provide in-region, interLATA services in Colorado, Idaho, Iowa, Nebraska, and North Dakota should be denied.

Respectfully submitted,

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August 30, 2002

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of August, 2002, I caused true and correct copies of the forgoing Supplemental Reply Comments of AT&T Corp. to be served on all parties by mailing, postage prepaid to their addresses listed on the attached service list.

Dated: August 30, 2002
Washington, D.C.

/s/ Darlene Cash

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